



### **Two Individuals Agree to Pay \$435,000 to Settle False Claims Act Suit Alleging Evaded Customs Duties**

The Department of Justice announced Sept. 4 that two people have agreed to pay \$385,000 and \$50,000, respectively, to resolve a lawsuit brought by the United States under the False Claims Act. The individuals allege that they engaged in a scheme to evade customs duties on imports of aluminum extrusions from the People's Republic of China.

The United States previously settled with four other importers implicated in the same scheme. The total settlement in this case now exceeds \$4.58 million.

### **U.S. Department of Justice Files Two Civil Suits Seeking \$80 Million in Antidumping Duties and Civil Penalties**

The U.S. Department of Justice filed two different civil suits at the U.S. Court of International Trade (CIT) in July and August seeking to recover \$80 million in evaded antidumping duties and civil penalties on Chinese imports. In one case, the importer reportedly misrepresented imports of crawfish as "langostino," which is similar to lobster but a different species. In the other case, the importer misrepresented the country of origin on saccharin imports.

The judicial enforcement of antidumping duties and issuance of civil penalties are just part of CBP's efforts to level the playing field for U.S. manufacturers.

### **AD/CVD Criminal Sentencing**

On Sept. 8 at the culmination of an investigation by U.S. Immigration and Enforcement and Homeland Security Investigations, in coordination with CBP, two individuals involved in a conspiracy to import Chinese magnesium powder subject to antidumping and countervailing duties were sentenced. The Chinese magnesium powder was disguised, mislabeled, and undervalued to circumvent the requisite 305.56 percent antidumping duty, resulting in a \$14.6 million loss in duties to the United States government.

Greg Magness, president of Superior Metal Powders, was sentenced to 18 months incarceration and two years of supervised release for violations of 18 USC 545, Smuggling, and 18 USC 1956, Money Laundering. In addition, he was ordered to pay \$6.2 million in restitution. Justin Magness, vice president of Superior Metal Powders, was sentenced to one year probation for a violation of 19 USC 1436, Aiding and Abetting Illegal Importation by Presenting/Transmitting Forged, Altered or False Documents to U.S. Customs and Border Protection. Justin Magness was also ordered to pay restitution in the amount of \$4,500. Greg and Justin Magness pled guilty to the above referenced charges on Jan. 12.

### **AD/CVD in Iowa**

CBP's enforcement of AD/CVD duties impacts communities across the country, including, Eddyville, Iowa, the location of Ajinomoto North America's monosodium glutamate (MSG) manufacturing facility. CBP's enforcement of AD/CVD on imports of Chinese and Indonesian MSG protects the jobs of Iowa residents directly involved in manufacturing MSG, and many others employed by Ajinomoto in sales, logistics, and manufacturing support.

CBP staff from numerous offices across the country traveled to Eddyville in July to meet with Ajinomoto staff. The meetings included CBP representatives from the Office of International Trade AD/CVD Policy and Programs Division, the AD/CVD National Targeting and Analysis Group, the Office of Field Operations Pharmaceuticals and Chemicals Center for Excellence and Expertise, and the Office of Information and Technology Laboratories and Scientific Services.

By providing market and commodity expertise, the trade community is a key partner in CBP's AD/CVD enforcement efforts. In Eddyville, the CBP team toured Ajinomoto's manufacturing facility and laboratory, and held extensive discussions on the U.S. and world MSG market, and MSG production techniques.

This visit was part of CBP's broad efforts to obtain trade intelligence and expertise to help CBP enforce AD/CVD orders.